**Guidelines for OVHA Coverage**

**ITEM:** HOME OXYGEN SERVICES

**DEFINITIONS:** Home oxygen services entails the provision of oxygen tanks and accessory equipment for beneficiaries who have a medical requirement for oxygen. The term 'blood gas study' refers to either an arterial blood gas (ABG) test *or* an oximetry test.
An ABG is the direct measurement of the partial pressure of oxygen (PO2) on a sample of arterial blood. The PO2 is reported as mmHg.
An oximetry test is the indirect measurement of arterial oxygen saturation using a sensor on the ear or finger. The saturation is reported as a percent.

**GUIDELINES:**
Provision of home oxygen services is limited to suppliers listed as active Vermont Medicaid providers. Providers are required to keep necessary documentation on file for review.

For any item to be covered by Medicaid, it must 1) be eligible for a defined Medicaid benefit category, 2) be reasonable and necessary for the diagnosis or treatment of illness or injury or to improve the functioning of a malformed body member, and 3) meet all other applicable Medicaid statutory and regulatory requirements. For the items addressed in this guideline, "reasonable and necessary" are defined by the following coverage and payment rules:

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Home oxygen therapy is covered only if all of the following conditions are met:

1. The treating physician has determined that the patient has a severe lung disease or hypoxia-related symptoms that might be expected to improve with oxygen therapy, ***and***

2. The patient's blood gas study meets the criteria stated below, ***and***

3. The qualifying blood gas study was performed by a physician or by a qualified provider or supplier of laboratory services, ***and***

4. The qualifying blood gas study was obtained under the following conditions:

- If the qualifying blood gas study is performed during an in-patient hospital stay, the reported test must be the one obtained closest to, but no earlier than 2 days prior to the hospital discharge date, **or**

- If the qualifying blood gas study is not performed during an in-patient hospital stay, the reported test must be performed while the patient is in a chronic stable state – i.e., not during a period of acute illness or an exacerbation of their underlying disease***, and***

5. Alternative treatment measures have been tried or considered and deemed clinically ineffective.

Objective guidelines are as follows:

1. An arterial PO2 at or below 55 mmHg or an arterial oxygen saturation at or below 88 percent taken *at rest (awake*), ***or***

**2.** An arterial PO2 at or below 55 mmHg, or an arterial oxygen saturation at or below 88 percent, taken *during sleep* for a patient who demonstrates an arterial PO2 at or above 56 mmHg or an arterial oxygen saturation at or above 89% while awake, ***or***

3. A decrease in arterial PO2 more than 10 mmHg, or a decrease in arterial oxygen saturation more than 5 percent taken *during sleep* associated with symptoms or signs reasonably attributable to hypoxemia (e.g., cor pulmonale, "P" pulmonale on EKG, documented pulmonary hypertension and erythrocytosis), ***or***

4. An arterial PO2 at or below 55 mmHg or an arterial oxygen saturation at or below 88 percent, taken *during exercise* for a patient who demonstrates an arterial PO2 at or above 56 mmHg or an arterial oxygen saturation at or above 89 percent during the day while at rest. In this case, oxygen is provided *during exercise* if it is documented that the use of oxygen improves the hypoxemia that was demonstrated during exercise when the patient was breathing room air.

5. Dependent edema suggesting congestive heart failure, ***or***

6. Pulmonary hypertension or cor pulmonale, determined by measurement of pulmonary artery pressure, gated blood pool scan, echocardiogram, or "P" pulmonale on EKG (P wave greater than 3 mm in standard leads II, III, or AVF), ***or***

7. Erythrocythemia with a hematocrit greater than 56 percent.

If one or more of the coverage conditions specified above are not met, the oxygen therapy will be considered not medically necessary. Oxygen therapy will also be considered not medically necessary if any of the following conditions are present:

a. Angina pectoris in the absence of hypoxemia. This condition is generally not the result of low oxygen level in the blood and there are other preferred treatments.
*b.* Dyspnea without cor pulmonale or evidence of hypoxemia.
*c.* Severe peripheral vascular disease resulting in clinically evident desaturation in one or more extremities but in the absence of systemic hypoxemia. There is not sufficient medical evidence that increased PO2 will improve the oxygenation of tissues with impaired circulation.
*d.* Terminal illnesses that do not affect the respiratory system.

The qualifying blood gas study must be performed by a physician, qualified Medicaid provider or qualified laboratory. The qualifying blood gas study may be performed while the patient is on oxygen as long as the reported blood gas values meet the coverage criteria.

For initial certifications, the blood gas study reported on the Medical Necessity Form (MNF) must be the most recent study obtained prior to the initial date indicated on the MNF and this study must be obtained within 30 days prior to that initial date.

For any revised MNF, the blood gas study reported on the MNF must be the most recent test performed prior to the revised date.

A repeat blood gas study may be requested at any time at the discretion of OVHA.

When both arterial blood gas (ABG) and oximetry tests have been performed on the same day under the same conditions (i.e., at rest/awake, during exercise, or during sleep), only report the ABG PO2 on the MNF. If the ABG PO2 result

is not a qualifying value, home oxygen therapy will be denied as not medically necessary, regardless of the oximetry test result.

*Portable Oxygen Systems*

A portable oxygen system is covered if the patient is mobile within the home and the qualifying blood gas study was performed while at rest (awake) or during exercise. If the only qualifying blood gas study was performed during sleep, portable oxygen will be denied as not medically necessary.

If coverage criteria are met, a portable oxygen system is usually separately payable in addition to the stationary system.

*Oxygen Contents*

Oxygen contents are not included in the allowance for rented oxygen systems.

*Oxygen Accessories*

Accessories, including but not limited to, cannulas, humidifiers, masks, mouthpieces, nebulizer for humidification, oxygen conserving devices, and tubing, are included in the allowance for rented systems. The supplier must provide any accessory ordered by the physician. Accessories are separately payable only when they are used with a patient-owned system.

*Travel Oxygen*

If a beneficiary travels out of their supplier's usual service area, it is the beneficiary's responsibility to arrange for oxygen during their travel. Medicaid will only pay one supplier for oxygen during any one rental month.

Oxygen services furnished by an airline to a beneficiary are noncovered. Payment for oxygen furnished by an airline is the responsibility of the beneficiary and not the responsibility of the supplier.

*Miscellaneous*

The patient must be re-evaluated by the treating physician prior to the date of any re-certification.

Only rented oxygen systems are eligible for coverage. Purchased oxygen systems will be denied as noncovered.

Emergency or stand-by oxygen systems will be denied as not medically necessary since they are precautionary and not therapeutic in nature.

Respiratory therapists' services are not covered under this DME benefit.

**Coding Guidelines**

For gaseous or liquid oxygen systems or contents, report one unit of service in cubic feet or pounds.

Water vapor enriching systems are invalid for claim submission to OVHA and are considered part of the rental fee, as noted previously.

**APPLICABLE CODES:**

E0424 Stationary compressed gaseoue oxygen system, rental; includes container, contents, regulator, flowmeter, humidifier, nebulizer, cannula or mask, and tubing.
E0431 Portable gaseous oxygen system, rental; includes portable container, regulator, flowmeter, humidifier, cannula or mask, and tubing.

E0434 Portable liquid oxygen system, rental; includes portable container, supply reservoir, humidifier, flowmeter, refill adaptor, contents gauge, cannula or mask, and tubing.

E0439 Stationary liquid oxygen system, rental; includes container, contents, regulator, flowmeter, humidifier, nebulizer, cannula or mask, and tubing.

E0443 Portable oxygen contents, gaseous (for use only with portable gaseous systems when no stationary gas or liquid system is used), on month’s supply= 1 unit.

E0444 Portable oxygen contents, liquid (for use only with portable liquid systems when no stationary gas or liquid system is used), one month’s supply= 1 unit.

E1353 Regulator.

E1355 Stand/rack.

E1390 Oxygen concentrator, single delivery port, capable of delivering 85% or greater oxygen concentration at the prescribed flow rate, each.

E1391 Oxygen concentrator, dual delivery port, capable of delivering 85% or greater oxygen concentration at the prescribed flow rate, each.

E1405 Oxygen and water vapor enriching system with heated delivery.

E1406 Oxygen and water vapor enriching system without heated delivery.

**CAUTIONS:** Safety issues in the home should be considered, including impaired cognition and smoking. Also, oxygen used in situations of breathlessness without cor pulmonale or evidence of hypoxemia can be harmful and psychologically addicting.

**EXAMPLES OF DIAGNOSES:** Hypoxemia, emphysema, congestive heart failure due to chronic cor pulmonale, cystic fibrosis, pulmonary neoplasm, chronic obstructive pulmonary disease.

**REQUIRED DOCUMENTATION:**
For an item(s) to be considered for coverage and payment by Medicaid, the information submitted by the supplier must be corroborated by documentation in the patient's medical records that the Medicaid coverage guidelines have been met. The patient's medical records include the physician's office records, hospital records, nursing home records, home health agency records, or records from other healthcare professionals. This documentation must be available to OVHA upon request.
The supplier must keep an order for the oxygen system and all related accessories, which have been signed and dated by the treating physician, on file. The supplier must keep a Medical Necessity Form (MNF), which has been signed and dated by the treating physician on file. The MNF for home oxygen is an **OVHA Form 60**. A prescription by itself is not valid as it lacks complete information. If the information on the MNF is sufficiently detailed, signed and dated by the physician, it may be used as an order.

*Initial MNF is Required*

- With the first request for home oxygen (even if the patient was on oxygen prior to Medicaid eligibility or oxygen was initially covered by Medicare or HMO)

- When there has been a change in the patient's condition that has caused a break in medical necessity of at least 60 days plus whatever days remain in the rental month during which the need for oxygen ended. (This indication does not apply if there was just a break in billing because the patient was in a hospital, nursing facility, hospice, or Medicare HMO, but the patient continued to need oxygen during that time.)

- The blood gas study reported on the Initial MNF must be the most recent study obtained prior to the Initial Date and this study must be obtained within 30 days prior to that Initial Date.

*Recertification is Required*

- Six months after Initial Certification. The blood gas study reported must be the most recent study performed.

- In other situations at the discretion of OVHA. The blood gas study reported must be the most recent study, which was performed within 30 days prior to the Recertification Date.

*Revised MNF*

A revised MNF is required, when any other oxygen system is added subsequent to Initial Certification.

If there is a new supplier, that supplier must receive a new MNF from the prescriber.

*Miscellaneous*

A new order must be obtained and kept on file by the supplier, but neither a new MNF nor a repeat blood gas study are required when the prescribed maximum flow rate changes.

A change from one type of system to another (i.e. concentrator, liquid, gaseous) would require a new MNF.

**REFERENCES:**

HCPCS Level II Expert, Ingenix Company, St. Anthony Publishing, Salt Lake City, Utah, 2002. Appendix 4: Medicare References, Section 60.4, pages 226-229.

**Signature of OVHA Director_____**

**Signature of OVHA Medical Director_____**

**Date: _____**

**Revision 1:**
**Revision 2:**
**Revision 3:**